

Department of Transportation

Departmental Overtime Meeting 1
August 29, 2008

CountyStat Principles

- **Require Data Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



Agenda

- **Introductions**
- **Overtime in DOT**
 - Historical use of overtime
 - Existing overtime management and monitoring

Potential tools for the management of overtime

- **Managing Overtime by Hiring More Staff**
 - Cost of overtime relative to hiring of new employees
- **Managing Overtime by Limiting Overtime Hours**
 - Bus operations
 - Operations during leafing season
 - Operations during storms
- **Managing Overtime by Utilizing Less Expensive Overtime**
- **Wrap-up**



Historical Context: Overtime Use by Function

- **Most of the overtime-generating functions of DPWT are now part of DOT**
 - Functions within the new DOT are shown in yellow
 - Transit operations make up about half of all overtime hours and almost half of all overtime costs
- **The FY07 distribution of overtime by function in DPWT is similar to the FY08 distribution**
 - Total OT hours FY07: 285,405
 - Total OT hours FY08: 243,181
 - Number of hours for each function declined from FY07 to FY08 except for leafing, which increased slightly

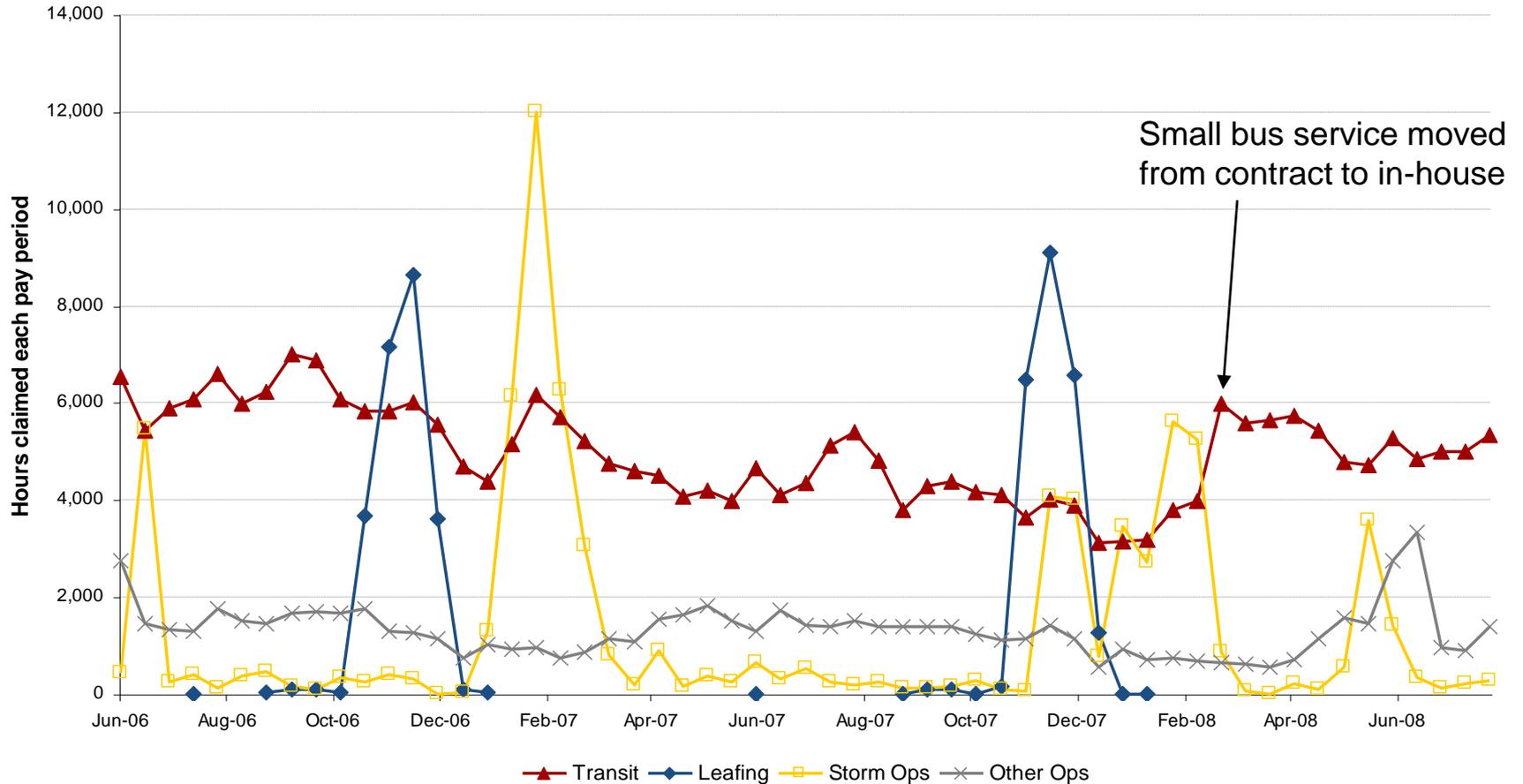
Distribution of overtime hours and cost in DPWT by function, FY08

Function	% of all hours	% of all cost
Leafing	9.8%	8.6%
Storm Ops	14.1%	14.7%
Transit	47.6%	41.7%
All other Div. of Ops	12.0%	14.5%
Facilities	7.6%	9.8%
All other DPWT	8.9%	10.9%

Storm operations at facilities, such as clearing sidewalks, are included within the "Facilities" category since they are not part of the new DOT.



Historical Context: Overtime Use by Function



Small bus service moved from contract to in-house



DOT Description of Existing Overtime Management and Monitoring

- **DOT follows the overtime procedures and policies as set forth in Section 10-6 of the Montgomery County Personnel Regulations and Articles 5.9 (overtime) and 5.10 (limitations of overtime) of the Collective Bargaining Agreement**
 - All scheduled overtime must be pre-approved, in writing, by the employee's supervisor
 - All overtime shall be documented on an overtime authorization sheet
 - Overtime authorization sheets must be submitted with the timesheet for that pay period
- **Overtime is monitored by type of work by index codes through the Crew Card system**



DOT Description of Existing Overtime Management and Monitoring

▪ Overtime use for storms

- The use of overtime during emergencies (snow, ice, wind, rain) is at the discretion of the Division Chief consistent with a calculated response to the event; based upon known intelligence such as notifications from AccuWeather and Weather Bug and actual conditions.
- Weather type, storm intensity, duration and timing are but a few factors used by the Division Chief to deploy resources requiring overtime during emergencies.

▪ Overtime use for bus operations

- Use of Extra Work Vouchers to document each instance of unscheduled overtime by bus operators.
- Desk Supervisor performs daily tracking of unscheduled overtime.
- Transit Services Supervisor oversees scheduling of unscheduled overtime.
- Management meets monthly with depots (Relief Picks Meeting) to analyze and review how overtime was managed.



Managing Overtime by Hiring More Employees: Cost of New Employee vs. Overtime

- Compare the cost of a new position with the overtime cost that new position could reasonably be expected to replace
- **Cost of new employee**
 - Average base salary
 - Average benefits
- **Cost of overtime**
 - Average overtime wage (earning codes OTP and OT2 only)
 - Number of available hours estimated using FY08 payroll information
 - Out of a total of 2,080 hours per year available
 - Additional FICA and Medicare taxes



Managing Overtime by Hiring More Employees: Cost of New Employee vs. Overtime

Rank	Average Base Salary	Average Benefits	Total Cost of New Position	Average Overtime Wage	Net Annual Work Hours	Add'l FICA and Medicare	Total Cost of Overtime
Bus Operator	\$43,934	\$17,516	\$61,450	\$29.77	1,700	\$3,872	\$54,481
Public Svc. Worker II*	\$13.16	\$2.00	\$15.16	\$19.75	-	\$0.36	\$20.11

* Temporary employees only – data shown are hourly wages

Overtime is less expensive than additional bus operators.
Overtime is more expensive than additional temporary public services workers.



Managing Overtime by Limiting Overtime Hours: Bus Operations

- Historical use of overtime for bus operations
- Planned vs. unplanned overtime
- Options for reducing planned overtime
- Options for reducing unplanned overtime



Managing Overtime by Limiting Overtime Hours: Bus Operations

- **Overtime for bus operations accounts for half of DOT overtime hours**
 - 89% of Transit overtime hours are claimed by bus operators
 - 6% of Transit overtime hours are claimed by transit coordinators
- **Overtime hours in FY08 show a sharp decline after steady increases from FY04 – FY07**
 - Total hours in FY08 increased over total hours in FY07
 - There was a trade between overtime hours and regular hours
 - The ratio of total hours to hours buses were on the road also increased in FY08 after holding steady FY04 – FY07
 - There are vacancies from FY04 – FY07, but none in FY08

The decrease in overtime seen in FY08 was accomplished in part by eliminating vacancies among bus operators.



Managing Overtime by Limiting Overtime Hours: Bus Operations: Unplanned Overtime

	FY04	FY05	FY06	FY07	FY08
Overtime Cost	\$2,935,263	\$3,495,678	\$4,088,314	\$4,189,359	\$3,608,134
Overtime Hours	108,777	126,963	141,066	143,259	115,725
Regular Hours	1,007,161	1,045,929	1,039,535	1,121,018	1,309,400
Total Hours	1,115,938	1,172,892	1,180,601	1,264,277	1,425,125
Platform Hours	734,700	773,400	804,360	863,490	948,340
Total Hours/ Platform Hour	1.52	1.52	1.47	1.46	1.50
# Vacancies	1	26	35	30	-4

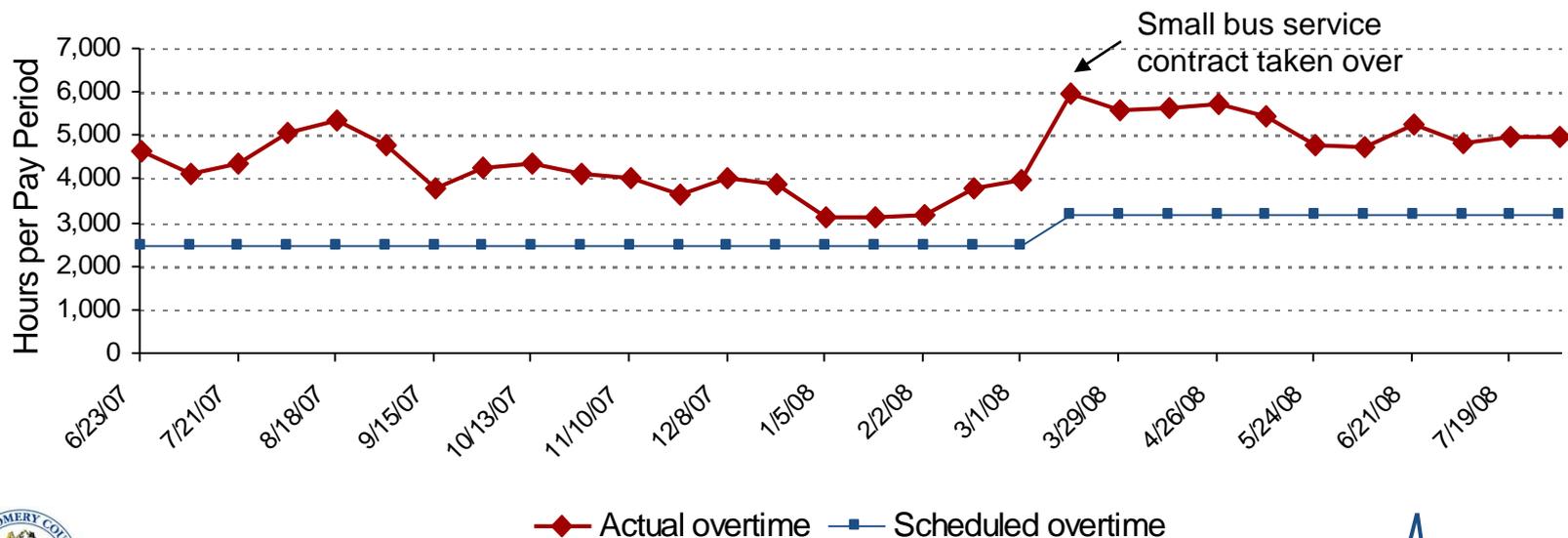
Platform hours = number of hours buses are on the road (from leaving the garage to being back in the garage)

With reduced vacancies in FY08, there was a shift toward greater use of regular time and less use of overtime.



Managing Overtime by Limiting Overtime Hours: Bus Operations

- **Planned overtime accounts for 60% of overtime usage since Transit took over the small bus contract**
 - 3,170 overtime hours are built into the schedule each pay period (1,585 hr/wk)
 - 5,266 overtime hours are claimed, on average, each pay period
- **Unscheduled overtime hours are needed for times when drivers are not available to provide service:** to cover those employees who are unable to drive for an extended period (usually illness), required random drug and alcohol testing, training, and special events.



Small Bus Operations: Cost Effectiveness of Taking Over Contract

- **Transit took the contracted service in house on March 2, 2008 in order to improve service quality, coordination, and flexibility.**
 - 146 FT & 12 PT bus operators and 9 transit coordinators
 - There has been a corresponding increase in overtime
- **When small bus service came in-house, buses were now maintained and operated by County employees.**
 - Previously, the contractor operated and maintained the (County owned) buses
 - Maintenance was poor and service delivery was spotty.
- **The last year of the contract, the cost was almost the same as providing the service in-house (\$17.4 million vs. \$17.6 million)**

Taking over the small bus contract will not drastically increase costs.



Managing Overtime by Limiting Overtime Hours: Bus Operations: Planned Overtime

Goal: Understand the reasons for planned overtime in bus operations and the efficiency of its distribution.

- **Determine distribution of planned overtime across people and across routes**
 - What percent of drivers have overtime built into their schedules
 - How is planned overtime distributed across bus routes
- **Examine match between driver schedules and route schedules**
- **Steps needed**
 - Identify data that is to be collected and location of that data
 - Articulate an approach to analyzing the data
 - Collect data
 - Analyze data
 - Report on results of analysis



Managing Overtime by Limiting Overtime Hours: Bus Operations: Unplanned Overtime

Minimizing vacancies

- **Bus operator vacancies are impacted by the economy (e.g. in bad times, fewer vacancies occur)**
 - Currently, Ride On does not have bus operator vacancies
 - Highly unusual – has happened only once before in the last 20 years
- **Monthly meetings on staffing held by managers and supervisors**
 - Bus Operator staffing levels and individuals on long term leave are reviewed
 - Ensure employees are being properly managed and encouraged to come back to work
 - Projections are made for staffing levels and to advise the personnel and training specialists of the needs of the system.
- **Practices to reduce vacancies**
 - Rolling recruitment
 - Classes to train bus drivers are held monthly

Bus operator vacancies are associated with increased use of overtime.



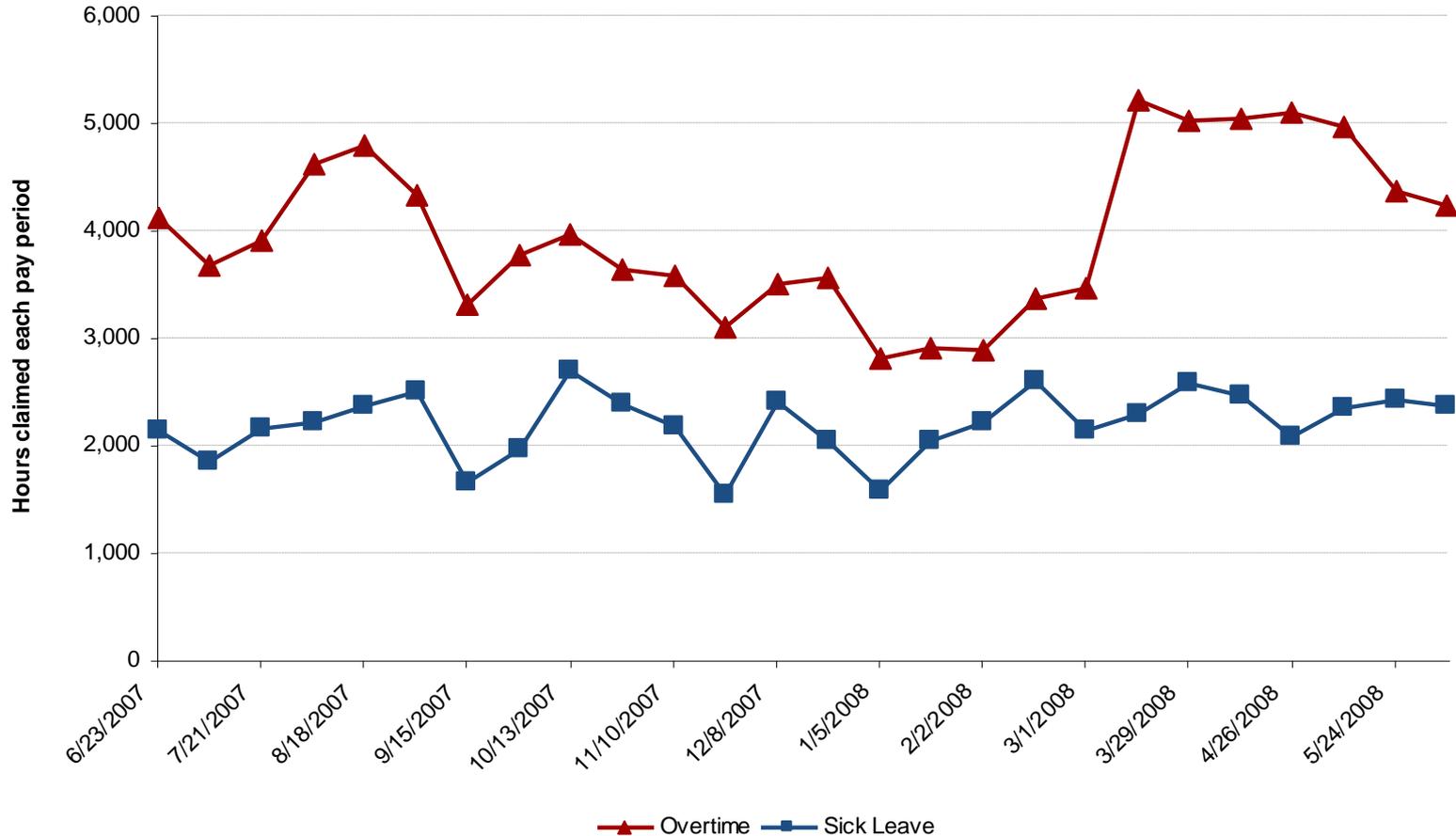
Managing Overtime by Limiting Overtime Hours: Bus Operations: Unplanned Overtime

Control of sick leave

- **Bus operator sick leave use high compared to the County as a whole**
 - 91.4 hours per person for County as a whole
 - 106.2 hours per person for bus operators
- **Transit tracks unscheduled sick leave use and issues discipline for high sick leave use** (Appendix XI of MCGEO contract)
- **Incentive program in place to encourage minimal use of unscheduled absences** (Appendix XI (i) of MCGEO contract)



Managing Overtime by Limiting Overtime Hours: Bus Operations: Unplanned Overtime



There is a high correlation between overtime use and sick leave use.



Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season

- Historical use of overtime for leafing operations
- Leafing schedules and planned overtime
- Effect of storms on leafing operations



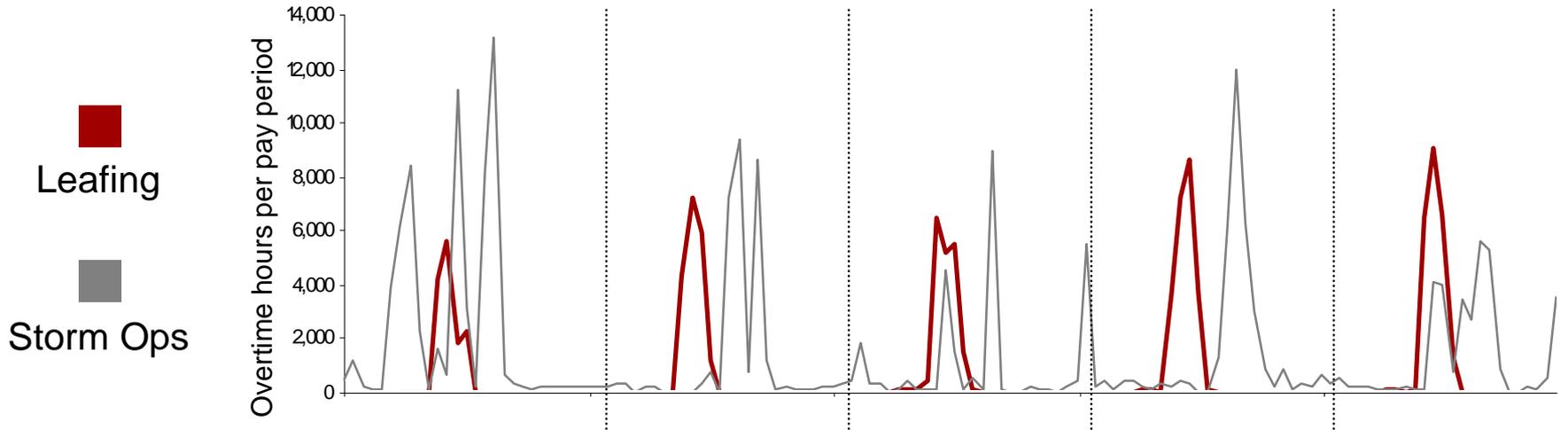
Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season

- **Leafing operations start around November 5 are expected to be done around December 21.**
 - High expectations among residents and elected leaders that leafing will be done before Christmas
- **There is variation year-to-year in the volume of leaves**
 - Variations in tree growth and canopy density
 - Incremental increases in the size of the leafing district
 - Weather can have a major impact on the timing of leafing operations.

Leafing shows a steady increase in the number of overtime hours each fiscal year that appears to be independent of the volume of leaves to be picked up.



Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season



	FY04	FY05	FY06	FY07	FY08
Regular Hours	69,846	67,057	85,959	68,952	80,871
OT Hours	14,059	18,716	19,511	23,451	23,747
Total Hours	83,905	85,773	105,470	92,403	104,618
Yd ³ of Leaves	120,998	160,289	183,878	158,162	153,374



Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season

- Leafing operations run 10 hours/day, 6 days/week, for 7 weeks
- Equipment operators are permanent County employees
- Public Services Workers are temporary employees
 - Hired only during leafing season
 - Do not receive benefits
- Based on schedules, expect that most overtime goes to equipment operators

	Hrs/Wk	Su	M	Tu	W	Th	F	Sa
Public Svcs Worker A	40							
Public Svcs Worker B	40							
Public Svcs Worker C	40							
Equipment Operator	60							



Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season

Job Title	Regular		Temporary	
	Hours	% of all hours	Hours	% of all hours
Equipment Operator I	9,267	39.0%		
Public Svs Worker II	333	1.4%	5,636	23.7%
Equipment Operator II	1,836	7.7%		
Work Force Leader II	1,810	7.6%		
Public Svs Craftsworker	1,438	6.1%		
All other job titles	3,429	14.4%		
Total	18,112	76.3%	5,636	23.7%

Source: Human Capital Management, 7/29/2008

OTP and OT2 earning codes included.

Regular employees claim the majority of overtime for leafing operations.



Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season

- **Storm operations pull personnel and equipment away from leafing**
 - Additional time needed to retool equipment
 - Public Services Workers do not participate in storm operations
- **Bad weather makes leafing operations harder**
 - May require more time-consuming methods, like using loaders
 - Additional personnel from Highway Maintenance added to leafing operations to help finish operations on time

Storm operations during leafing season appear to increase regular hours but do not appear to affect overtime hours.



Managing Overtime by Limiting Overtime Hours: Operations During Leafing Season

- **Must understand the source of and reasons for overtime in order to make recommendations for reducing it**
- **Standard explanations for why overtime changes are not supported by data**
 - Overtime is not responsive to changes in leaf volume
 - Overtime is not responsive to storm operations
- **Macro features of overtime have already been examined**
 - Largest users of overtime by job class
 - Comparison of overtime use by permanent vs. temporary employees

A more detailed examination of overtime use will be required before recommendations can be made



Managing Overtime by Limiting Overtime Hours: Operations During Storms

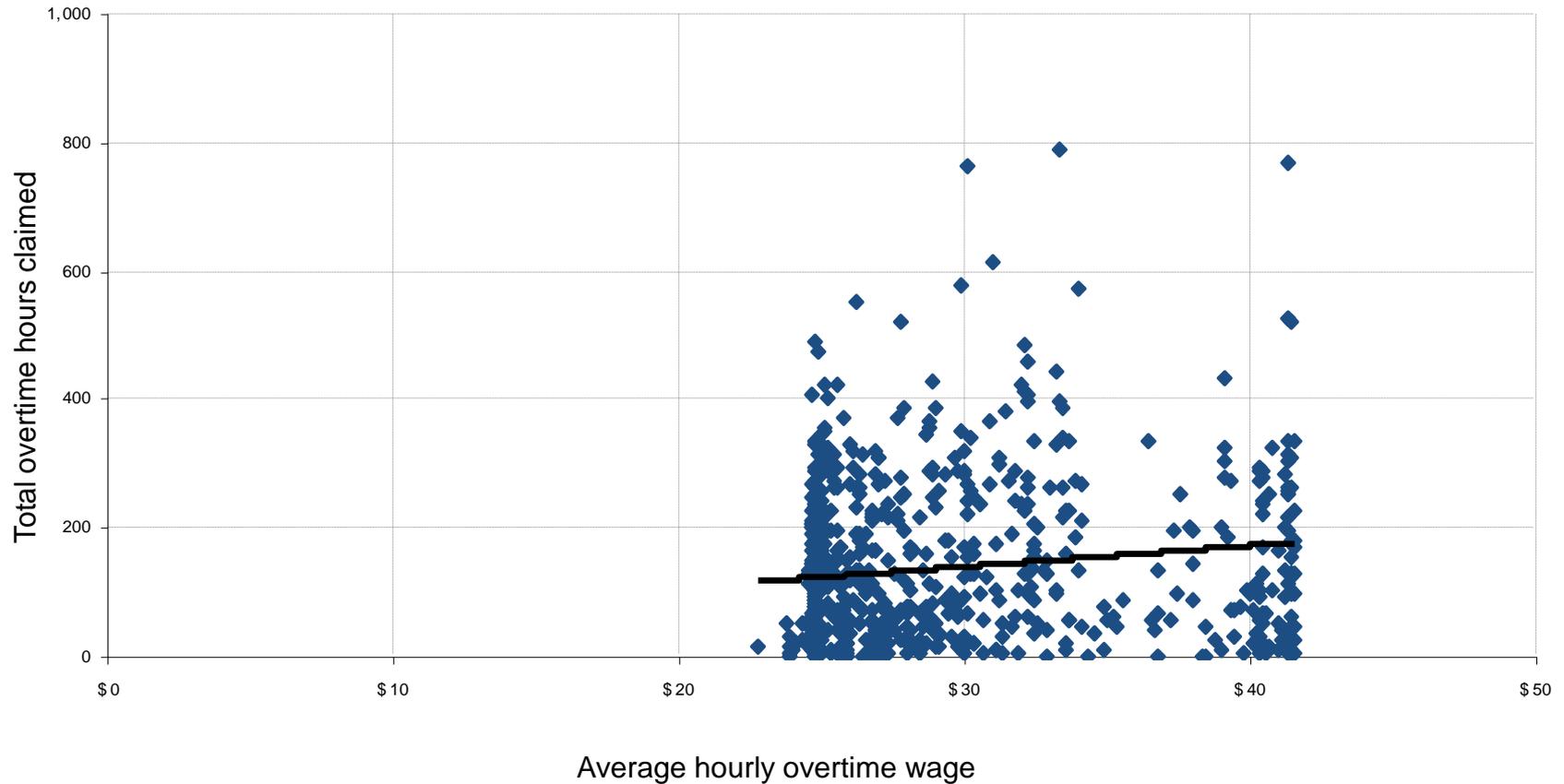
- Storm operations are irregular and unpredictable
- Duration of operations is short but intense
- DOT has clear lines of authority and accountability for starting storm operations
- The County Executive has placed a priority on recovery after storms

There are few opportunities to reduce overtime use during storm operations.



Managing Overtime by Utilizing Less Expensive Overtime: Average Overtime Hours vs. Average Hourly Wages

Correlation Between Wages and Overtime Hours – Bus Operators



Managing Overtime by Utilizing Less Expensive Overtime: Average Overtime Hours vs. Average Hourly Wages

- **DOT maintains compliance with the overtime procedures and policies as set forth in Section 10-6 of the Montgomery County Personnel Regulations and Articles 5.9 (overtime) and 5.10 (limitations of overtime) of the Collective Bargaining Agreement**
- **DOT is bound by the Collective Bargaining Agreement including both voluntary and non-voluntary overtime use. In the case of voluntary overtime, the order of selecting personnel for overtime is based upon seniority (i.e. normally in the higher pay category)**

Bus operators pick their schedules based upon seniority, but this appears to have only a small effect on the correlation between wages and hours.



Wrap-up

- **Confirmation of follow-up items**
- **Time frame for next meeting**

